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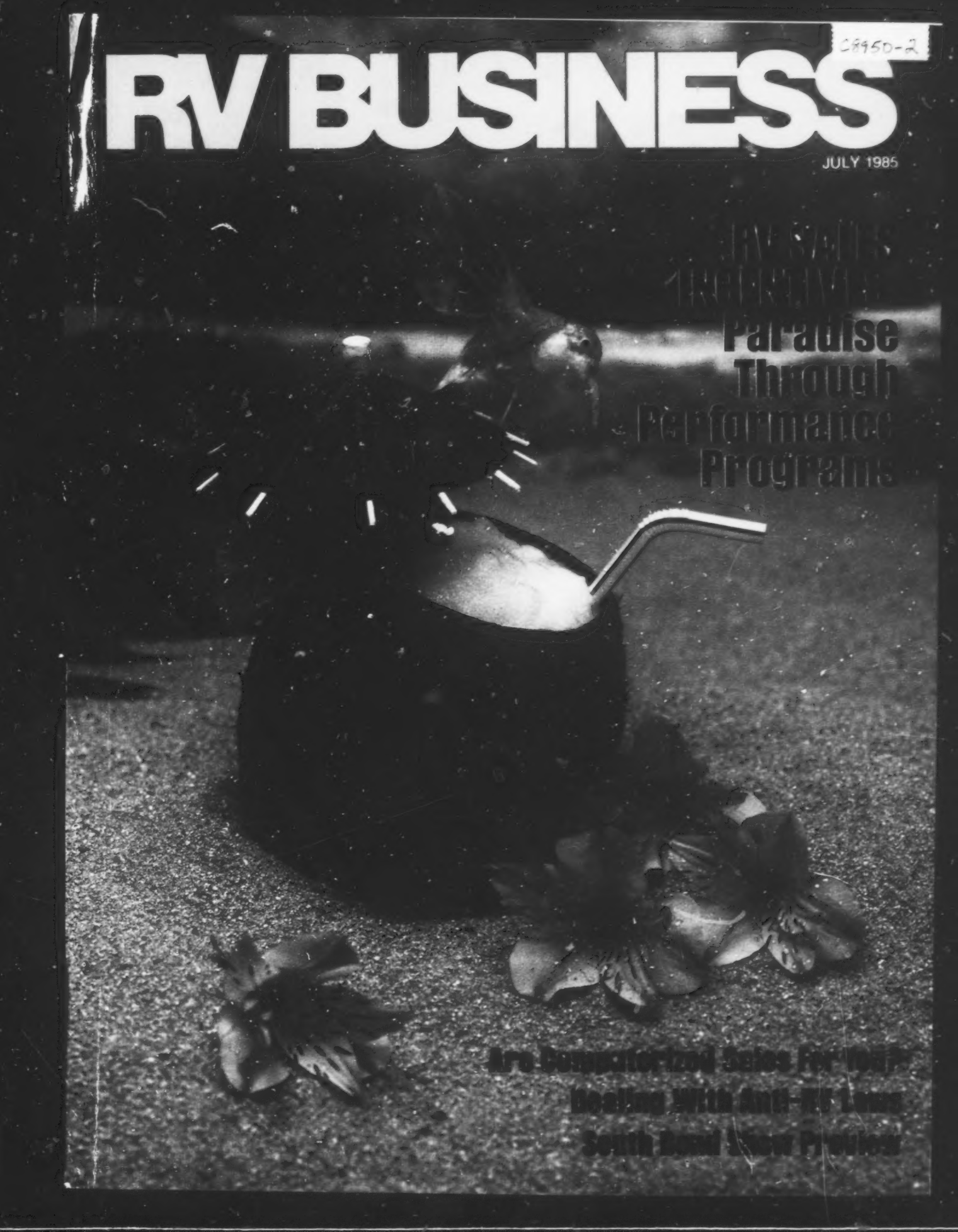
RV BUSINESS

JULY 1985



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RV BUSINESS

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ON THE COVER: What makes Sam Salesman run? Experienced businesspeople from many industries, including the RV industry, believe incentives, such as travel to an exotic paradise, motivate personnel to perform better. Find out why, who does what and how to implement performance incentive programs, beginning on page 44. Photo: Kenna Love.

Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	APRIL '85	APRIL '84	% CHANGE	1985	1984	% CHANGE	APRIL '85	APRIL '84	% CHANGE	1985	1984	% CHANGE
MOTORHOMES	136	125	+ 9%	451	456	– 1	91	99	– 8%	360	387	– 7
TRAVEL TRAILERS	129	100	+29%	359	368	– 2	87	109	–20%	280	368	+ 3
TRUCK CAMPERS	24	19	+26%	59	64	– 8	16	19	–16%	48	65	–26
CAMPING TRAILERS	142	175	–19%	460	559	–18	49	34	+44%	129	98	+32
FIFTH-WHEELS	34	44	–23%	129	149	–13	10	13	–30%	34	38	–11

	FOR MONTH			YEAR-TO-DATE		
	APRIL '85	APRIL '84	% CHANGE	1985	1984	% CHANGE
SALES VOLUME	$10,471,236	$9,443,912	+11%	$34,854,408	$34,861,764	< 1
TOTAL UNIT SALES	716	737	– 3%	2,309	2,555	–10
NEW UNIT SALES	463	463	0%	1,458	1,599	– 9
USED UNIT SALES	253	274	– 8%	851	956	–11

Despite the fact that most of them claim to be struggling, RV dealers did not fare too badly in April. RVB's Dealer Advisory Board (DAB) reports that the total number of new units sold during the month equaled that of April 1984. Dollars taken in during the month actually exceeded the figure for the previous year.

That is not the whole picture, however. The fact is that, in the tabulations for this report, the number of minuses far exceeds the number of plusses. For the month, two new-unit categories were down and four of the five RV types dropped from the previous April in used sales. Year-to-date, all types of new units are down.

Profit ratings are generally lower, too. Although few DAB members rated profits poor, there were equally few excellent ratings; it was a fair to good month. Even used profits were off the mark.

It is no gravy train in the RV business at this time. Unlike the two crises in the past, however, dealers are not starving; neither are they getting fat. But there are no indications that big changes are expected in the near future.

MOTORHOMES

Sales of new units held their own during the month of April. The final DAB figures show '84 and '85 exactly the same. Used sales were off a bit; year-to-date, sales are very slightly down.

Some of the larger motorhome specialists say it is getting tougher by the day to make good sales. The problem, they say, is very strong competition. On the other hand, some of the board members who do not specialize in motorized are doing exceptionally well compared to last year. Profits were generally rated fair to good.

TRAVEL TRAILERS

For the second month in a row, this category has been on the plus side in new-unit sales. Although some DAB members who normally have strong sales at this time of the year are complaining, a few are doing exceptionally well. No one has an explanation.

Profit ratings varied a great deal for April, ranging all the way from poor to excellent; however, good received the most votes.

TRUCK CAMPERS

The numbers are not large, but a few dealers on the DAB consistently pull in sales of this RV type. The general complaint is that there just is not enough business for dealers to give much attention to campers. Perhaps it is just as well that not too many dealers try. Profits were rated good for the month.

CAMPING TRAILERS

The downturn for this type did not change in April. The 19 percent drop for the month is consistent with the year-to-date figure. Most of the camping trailer specialists are finding the pickings leaner this year. There is no accounting for that condition.

Sales of used camping trailers are unusually strong for some unexplainable reason. Perhaps it is due to the fact that new units, although inexpensive in comparison with other RV types, represent a substantial investment that makes used prices very attractive.

Profits were rated fair to good.

FIFTH-WHEELS

Both new and used sales were down for the month. Year-to-date, it is the same. Some of the multi-type dealers who normally sell a couple of units each month blanked in April; some of those dealers who get big numbers did not do well. No one has an explanation for the drop.

Profits were rated from fair to good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross-section of the U.S. Dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, APRIL

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during April 1985 was 38,600 units, down 12.3% from April 1984.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yodes Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in April 1985		April 1984	Percent Change	Cumulative 1985	Cumulative 1984	Percent Change
TRAVEL TRAILERS	8,500	9,500	– 10.5%	25,000	31,100	– 19.6%
FIFTH-WHEELS	2,300	2,500	– 8.0%	7,300	7,500	– 2.7%
TRUCK CAMPERS	900	900	0	2,500	3,000	– 16.7%
MULTI-USE VEHICLES	15,500	17,100	– 9.4%	57,300	57,500	– 0.3%
TYPE A: MOTOR-HOMES	3,600	4,500	– 20.0%	13,300	15,800	– 15.8%
TYPE B: VAN CAMPERS	600	900	– 33.3%	2,100	2,700	– 22.2%
TYPE C: MINI MOTOR-HOMES	3,200	4,000	– 20.0%	11,200	14,300	– 21.7%
FOLDING CAMPING TRAILERS	4,001	4,600	– 13.0%	14,500	15,200	– 4.6%
TOTALS	38,600	44,000	– 12.3%	133,200	147,100	– 9.5%

WDA QUARTERLY SALES FIGURES

RV Business publishes a quarterly report of sales statistics from the Warehouse Distributors Association (WDA). The chart shown here is based upon a representative sampling of WDA members, as compiled in the first quarter of 1985. While these statistics are not intended to be fully indicative of the sales volume among distributors in the RV and MH industries, they are presented here as an insight into the supplier/distributor industry.

SALES VOLUME

	FIRST-QUARTER SALES VOLUME	
	PERCENT CHANGE 1984 to 1985	RANGE OF CHANGE
REGION 1	0.0%	+27.3% to – 17.1%
REGION 2	+7.8%	+31.5% to – 9.2%
REGION 3	– 5.2%	+10.6% to – 63.9%
REGION 4	– 8.4%	+22.4% to – 36.7%
REGION 5	+6.8%	+64.5% to – 30.0%
REGION 6	– 6.5%	+78.9% to – 32.6%

Region 1: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Washington, D.C.; **Region 2:** Alabama, Florida, Georgia, Mississippi, North and South Carolina, and Tennessee; **Region 3:** Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North and South Dakota, Ohio and Wisconsin; **Region 4:** Arkansas, Colorado, Kansas, Louisiana, Oklahoma, New Mexico and Texas; **Region 5:** Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming; **Region 6:** Canada.

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